



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 22, 1996

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

The Honorable Larry E. Craig
United States Senate
313 Hart Senate Office Building
Washington, D.C. 20510-1203

DOCKET FILE COPY ORIGINAL

Dear Senator Craig:

Thank you for your letter on behalf of your constituent Mr. Roland G. Nehring, Western Alliance Chairman, dated May 16, 1996, regarding implementation of Section 254(h) of the Telecommunications Act of 1996. New Section 254 of the Act ensures that all Americans will have access to affordable telecommunications and information services. The Commission shares Congress' and your concern that consumers in rural or remote areas of the country continue to have access to high quality and affordable service. In implementing those provisions, the Commission has stated that its goal is to ensure that quality services are available at just, reasonable, and affordable rates in all regions of the Nation.

On March 8, 1996, the Commission issued a Notice of Proposed Rulemaking asking for public comment on how best to implement the universal service provisions of the 1996 Act. We have received several hundred comments and reply comments, including those from over sixty groups representing the interests of small Local Exchange Carriers operating in rural, high-cost, or insular areas. In addition, the Federal-State Joint Board has held a series of public meetings to further discuss these important issues. At our April 12, June 5, and June 19 meetings, the Joint Board received testimony from panels specifically concerned with bringing to rural Americans a level of telecommunications service quality and affordability that is reasonably comparable to the quality and price at which those services are available to urban customers.

Thank you for your interest in this issue and for bringing to our attention the comments of the Western Alliance. Their comments on affordable telecommunications rates for rural areas will be carefully considered by the Joint Board, and a copy of their letter has been included in the record of the universal service proceeding (CC Docket No. 96-45).

We appreciate your continued interest in these important issues.

Sincerely yours,

Reed E. Hundt
Chairman

No. of Copies rec'd
Date

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LARRY E. CRAIG
IDAMO

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(202) 224-2752

United States Senate

WASHINGTON, DC 20510-1203

May 16, 1996

AGRICULTURE, NUTRITION,
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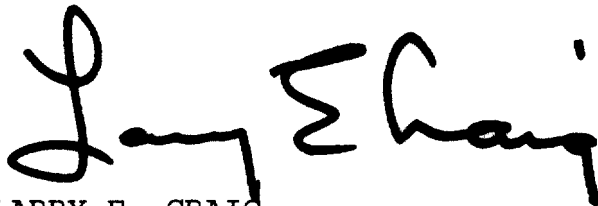
Reed Hundt, Chairman
Federal Communications Commission
1919 M. Street NW
Washington, DC 20554

Dear Chairman Hundt:

Enclosed is a copy of a letter I received from Roland G. Nehring of the Western Alliance. As you will note, Mr. Nehring and his organization are concerned about proposed universal service telecommunication guidelines. As you review the suggested rules, I urge you to carefully consider any impact they may have on providing adequate telecommunications service to rural areas. As I'm sure you understand, it is critical that continued, affordable service is available to individuals, families, and businesses in our rural and frontier areas.

I look forward to knowing your response to Mr. Nehring's concerns.

Sincerely,



LARRY E. CRAIG
United States Senator

LEC/tmo

WESTERN ALLIANCE

April 17, 1996

Honorable Larry E. Craig
U.S. Senate
Washington, DC 20510-1203

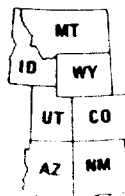
Dear Senator Craig:

The Western Alliance, a consortium of the Western Rural Telephone Association and the Rocky Mountain Telecommunications Association, recently filed the enclosed comments with the Federal Communications Commission. These comments represent the views of approximately 300 of the smaller telephone exchange carriers, serving over 2 million customers in 23 states west of the Mississippi and in the island territories of the Pacific Rim, on the critical issue of implementation of the universal service provisions of the new Telecommunications Act.

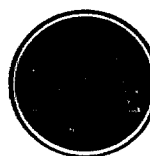
As the comments point out, the new Act confirms the national commitment to quality, affordable telephone and information services for all Americans, including those who are more costly to serve because they live in remote, rural or insular areas of the country. Consistent with this commitment, the new Act directs that any rules adopted by the FCC will take, as their goal, a level of telecommunications service quality and affordability for rural Americans that is reasonably comparable to the quality and price at which those services are available to urban customers.

As the comments also point out, however, the FCC is considering approaches to universal service that may put this commitment at risk. Notably, the Commission has suggested that instead of basing support for universal on the actual cost of serving rural customers, support might be calculated according to theoretical "models" of those costs, or might be set by a bidding war between the existing rural telephone companies and entrepreneurs who may have no experience of serving rural areas, or who may not know the telephone business at all. These approaches would gamble with, rather than ensure achievement of, the clear goals of the new Act. If implemented, they may leave many rural Americans with inadequate service at excessive rates, and

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Western Rural Telephone Association
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Santa Rosa, CA 95402
(707) 538-7755
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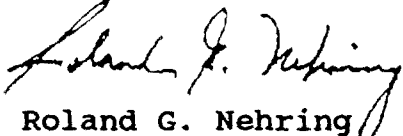
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may place telephone service out of reach of many customers and communities who enjoy access to that service today. In an age in which communications services are increasingly the key to rural economic development and full participation in our society, policies that risk such results must be rejected.

You undoubtedly know that the Joint Board will make its recommendations for new universal service rules not later than early November of this year, and that the FCC's rules must be enacted not later than early May of next year. In its oversight of this process, we ask that the Congress pay particular attention to the concerns outlined here and in the attached comments

Sincerely,

WESTERN ALLIANCE

A handwritten signature in cursive script, reading "Roland G. Nehring". The signature is written in dark ink and is positioned above the printed name and title.

Roland G. Nehring
Western Alliance Chairman